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YUGOSLAVIA'S INTERNATIONAL POSITION

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Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 24 July 1956. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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YUGOSLAVIA'S INTERNATIONAL POSITION

THE PROBLEM

To reassess Yugoslavia's present and future international position and to estimate the probable effects of possible US courses of action with respect to Yugoslavia.

CONCLUSIONS

1. Evidence available so far indicates that Yugoslavia has preserved its independent status. We consider it unlikely that Tito has as yet decided that his interests can best be served from a position within rather than outside the Communist orbit or that he has made a covert agreement with Moscow to join the Bloc.[1] *(Paras. 7–8)*

2. Despite increased cooperation and the likelihood of even closer ties between Yugoslavia and the USSR, it is unlikely at least for some time to come that Tito will associate himself formally with the Bloc. However, he will almost certainly seek to develop closer ties with the Satellites and will almost certainly side with the USSR on most major international issues. In particular, he will almost certainly be a willing and active exponent of policies designed to promote popular fronts, to woo the neutralist nations, to spread the concept of coexistence, and to gain converts for the Soviet stand on disarmament and European security. *(Paras. 18–20)*

3. US ability to influence Yugoslav policy — never decisive at its strongest — has sharply declined and will probably continue to do so. It is unlikely that either a continuation of US aid or a threat to cut it off would restrain Tito from continuing to build up his ties with the Communist world. Nevertheless, Tito continues to look to the US for aid (notably substantial amounts of wheat and spare parts for US military equipment) and probably believes that the US will feel compelled to meet these requests in some degree to keep him from moving even closer to the Bloc. If he considered that the loss of US aid were imminent, he might make gestures to mollify the West but would probably not fundamentally alter his policy. *(Paras. 25–26)*

[1] The Deputy Director for Intelligence, The Joint Staff, believes that this paragraph fails to give sufficient weight to the possibility that a covert arrangement with Moscow for partnership in the Soviet Bloc may have been made. He believes, therefore, that the second sentence should be deleted and the following substituted:

"We consider it unlikely that Tito has come to a decision for overt acknowledgment of a partnership in the Soviet Bloc. However, the existence of a covert arrangement to this end cannot be discounted."

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DISCUSSION

I. PRESENT SITUATION

4. Tito's visit to the USSR in June and the resulting joint declarations put the formal seal of approval on the relationship that had been developing slowly between the two countries during the last two years. Tito's cooperation with the West, always cautious, began to wane after mid-1954. Yugoslavia gradually showed less interest in military cooperation with its Balkan Pact allies and with the West and at the same time became more receptive to the new Soviet leadership's protestations that it had abandoned Stalin's aggressive and autocratic ways.

5. The Khrushchev-Bulganin pilgrimage to Belgrade in May 1955 probably marked the turning point in the Soviet wooing of Yugoslavia. The Soviet leaders went further than ever before in taking steps to convince Tito that they had abandoned Stalin's policies and that there was no longer any threat to his position. They officially acknowledged the error of Yugoslavia's expulsion from the Cominform and gave formal recognition to Yugoslavia's status as an independent and genuinely socialist state. In the ensuing year scheduled Yugoslav trade with the Bloc increased to about 33 percent of total Yugoslav foreign trade. The Bloc granted Yugoslavia long term credits totalling about $289 million and Hungary agreed to settle Yugoslav claims totalling $85 million. There was a steady increase in cultural and official contacts between Yugoslavia and all the Bloc regimes except that of Albania. Finally, Yugoslavia continued to take a position on most major foreign policy questions parallel to that of the USSR.

6. During the Moscow visit, several further steps were taken. The most important of these was the agreement to re-establish formal party-to-party relations. In addition, Tito publicly espoused Moscow's view that general disarmament should not be dependent on prior settlement of political issues and seconded the Soviet call for direct negotiations between the two parts of Germany. In sum, the Moscow visit not only confirmed the virtual identity of the Yugoslav and Soviet positions on most important international questions, but created a political atmosphere which will facilitate increasingly close cooperation between the two countries.

7. Nevertheless, evidence available so far indicates that Yugoslavia has preserved its independent status. Tito's association with the USSR has been voluntary, and in his view the Kremlin made the major concessions and moved materially toward the Yugoslav position. The agreement to re-establish party relations met Tito's terms that the two parties were to be recognized as equal, that there would be bilateral contacts (rather than institutional ties such as a successor to the Cominform), and that both parties would retain full freedom of action. Yugoslavia has reasserted its opposition to the continuation of rival power blocs, and has re-emphasized its right and intention to negotiate independently with all nations. Although some Soviet leaders sought to give the impression that the two countries would be allied in the event of war, there is no evidence that any military agreement was reached.

8. We have carefully considered the possibility that Tito may have decided that his interests can best be served from a position within rather than outside the Communist orbit, and that he has made a covert agreement with Moscow to join the Bloc. We consider it unlikely, however, that Tito has come to this decision or has made such an agreement with Moscow. Even if he were fully convinced that the USSR was prepared to take Yugoslavia back, not as a Satellite but as a partner, a position in the Bloc would still curtail Tito's freedom of action. He would lose the bargaining position vis-a-vis the USSR which he now has and the world-wide influence and prestige which his independent

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policies have won for him. Under present circumstances, joining the Bloc would be unlikely to offer any great advantage to compensate for these losses.[2]

II. YUGOSLAV OBJECTIVES AND MOTIVATIONS

9. We believe that Tito looks with satisfaction upon the developments of the past few years and regards them as a convincing vindication of his own postwar policies. Tito probably estimates that conditions are now propitious for the attainment of many of his own goals and aspirations. We believe that these are: (a) the preservation of his regime in Yugoslavia free of foreign domination; (b) the establishment of close relations with Communist states and parties and an increase in Yugoslav influence upon them while retaining cordial relations with the West; and (c) the enhancement of his influence and prestige in world affairs as a leader of neutralist and "progressive" forces.

10. Tito almost certainly estimates that events since the death of Stalin have been generally favorable to these objectives. For one thing, Tito is almost certainly convinced that there has been a substantial decrease in the likelihood of general war — avoidance of which has always been a prime Yugoslav objective because of Tito's fears that his regime would not survive it. Secondly, Tito now appears to be reasonably confident that he is no longer in personal danger at the hands of the new Soviet regime as long as present trends continue. As a consequence of his belief in acceptance by Moscow of the principle of "different roads to socialism," Tito probably anticipates a gradual growth of nationalist strength and autonomy among the Satellite Communist parties. In this developing situation, Tito almost certainly sees opportunities for increasing Yugoslav influence and prestige in Eastern Europe, particularly the Balkan area. Moreover, he might feel that his Communist regime would be in a fundamentally better position to retain control over the non-Communist majority in Yugoslavia itself if he re-establishes strong ties with the other Communist countries.

11. Finally, he believes he has succeeded in regaining entree into Communist circles without sacrifice of the principles of Yugoslav independence and equality. He therefore hopes to remain in a strong position to strengthen his ties with Socialist (as well as Communist) parties outside the Bloc, and to develop special ties with such neutralist leaders as Nehru and Nasr.

12. We do not believe that Tito has lost all his fears of Soviet domination. He probably believes that a revival of Stalinism remains a possibility and that despite his ability to get along with the present Kremlin leaders they will be difficult to deal with on certain issues. He probably considers that he will be better able to protect his individual and national interests and maintain greater freedom to maneuver if he does not enter into a formal alliance with the Bloc.

13. He probably believes that the evolution of Soviet-Satellite relationships under the non-Stalinist policies now being followed by the Kremlin will take a considerable period of time and that the ultimate form of such relationships is not yet clear. He has manifested some fear that developments in the Satellites may get out of hand, forcing a reversion to Stalinist policies of control. Thus by avoiding formal ties with the Bloc during what he probably believes will be a period of redefinition in Soviet-Satellite relations, Tito probably estimates that: (a) he will have a freer hand to influence developments to his own advantage; and (b) he will have left the door to the West at least partly open in the event of a reversion in the Bloc to Stalinist policies and practices.

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[2] The Deputy Director for Intelligence, The Joint Staff, believes that this paragraph fails to give sufficient weight to the possibility that a covert arrangement with Moscow for partnership in the Soviet Bloc may have been made. He believes, therefore, that the second sentence should be deleted and the following substituted:

"We consider it unlikely that Tito has come to a decision for overt acknowledgment of a partnership in the Soviet Bloc. However, the existence of a covert arrangement to this end cannot be discounted."

He further believes the word "overt" should be inserted between "a" and "position" in the third sentence.

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III. SOVIET OBJECTIVES

14. A rapprochement with Yugoslavia has been an important feature of the USSR's post-Stalin policy in Europe. The Soviet leaders probably still have as their maximum objective Yugoslavia's reintegration into the Bloc, but they find that even the present relationship is advantageous to the USSR in many ways. The development of Yugoslav ties with the Western Powers has been arrested, the military usefulness of Yugoslavia's pact with Greece and Turkey has been virtually eliminated, and opportunities for increasing Soviet influence over the Yugoslav regime have been gained. At the same time, the USSR can make effective use of an independent Yugoslavia in its efforts to encourage neutralist tendencies and to increase useful contacts with socialist circles in the Free World.

15. The Soviet leaders will probably continue their efforts to woo Yugoslavia by a favorable trade and credit policy, by causing the Satellites to adopt policies more friendly to Yugoslavia, and by periodic reaffirmation of Yugoslavia's independence and equality. They will almost certainly seek to increase further their share of Yugoslav trade, and will probably attempt to draw Tito into military aid arrangements. Moscow's recognition of Tito's special position will contribute to the dissatisfaction felt by some Communist leaders in the Satellites. However, the Soviet leaders are almost certainly confident of their ability to retain control of the Satellites and in any case would not relinquish such control merely to lure Tito into complete realignment with the Bloc.

16. We believe that the Kremlin views the revival of party-to-party relationships as an opportunity to increase Kremlin influence at all levels of the Yugoslav Communist Party. There is almost certainly a doctrinaire element among Yugoslav Communists which has strong leanings toward the "first land of socialism," though we are uncertain as to its leadership and extent. The Soviets are probably convinced that their reversal of Stalin's vindictive policies toward Yugoslavia and the willingness of Tito to resume party-to-party relationships will encourage pro-Soviet elements and increase their appeal at all levels of the regime and party.

IV. PROBABLE TRENDS IN YUGOSLAVIA'S ORIENTATION

Yugoslav Relations with the Bloc

17. During the last year, the gravitational attraction of the Communist world for Yugoslavia has greatly increased. Tito's growing confidence that the Kremlin has genuinely changed its policies will lead him further along the road of collaboration with Moscow. By publicly and formally opting for a course of closer collaboration with Moscow, he has weakened his ability to withstand increasing Soviet influence.

18. As long as the USSR continues its present policies, Tito will almost certainly side with the USSR on most major international issues. By endorsing the USSR's "two Germanys" approach, he has taken a major step toward eventual recognition of the East German regime. He will almost certainly be a willing and active exponent of international policies coinciding with those of the USSR and designed to promote popular fronts, to woo the neutralist nations, to spread the concept of coexistence, and to gain converts for the Soviet stand on disarmament and European security.

19. Meanwhile, Tito will continue his efforts to establish closer relations with the USSR and the Satellite regimes. Trade with the Bloc will almost certainly increase, although Tito will probably seek to maintain substantial trade with the West. On the political level, Yugoslavia will probably continue to press for more rapid de-Stalinization and greater autonomy for the Satellite regimes; this latter issue could be a source of friction with the USSR. However, Tito will not wish these developments to go too fast or too far lest dissident elements within the Satellites be so strengthened as to threaten the Communist regimes or lest the USSR be compelled to revert to Stalinist controls. For example, Yugoslavia was quick to adopt the official Soviet and Polish line that the Poznan riots in June were instigated by Western reactionary elements.

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20. Despite the likelihood of increased cooperation and closer ties between the USSR and Yugoslavia, it is unlikely, at least for some time to come, that Tito will associate himself formally with the Bloc through such arrangements as adherence to the Warsaw Pact, full membership in the Bloc's Council for Economic Mutual Assistance (CEMA),[3] or mutual assistance pacts. Any such steps would seriously undermine his claims to independence from all blocs, his potential influence with neutral nations, his access to Western aid and friendship, and his bargaining power with the USSR. There is a possibility, however, that Yugoslavia might accept some military equipment from the Bloc if made available on liberal terms.

21. Although there are almost certainly some pro-Soviet elements in the Yugoslav Communist Party, we believe Tito is in firm control. However these elements will be strengthened by more extensive party-to-party relations and Tito in the long run may have difficulty in controlling them. In the event of Tito's death or incapacitation, pro-Soviet elements in the Yugoslav Communist Party might be able to exert a dominant influence, especially if Tito's leadership were replaced initially by a weak individual or group, or if a confused scramble for power ensued. In any event, we believe that the immediate successor regime to Tito would be Communist and would be less able to maintain a position of independence.[4] We are unable to estimate the ultimate stability and duration of such a regime.

Yugoslav Relations with the West

22. Yugoslavia will probably continue its policy of maintaining cordial relations with all countries outside the Soviet Bloc. In fact, Tito is now making a special display of friendship toward the West in order to counteract any impression that his Moscow visit had resulted in his realignment with the Soviet Bloc. We do not believe that Tito wishes to burn all his bridges behind him. Moreover, he probably feels that without Western friendship he would be less capable of withstanding Soviet overtures and pressures. Consequently, the Yugoslavs will almost certainly continue to insist that they wish to cooperate with the West, and with the US in particular.

23. Tito will probably remain in the Balkan Pact for political and economic reasons, but he will continue to play down its military aspects. In fact, as pointed out above, the Balkan Pact has virtually no military significance at present. Tito will seek to maintain close ties with Greece, including some in the military field, but his relations with Turkey will remain cool particularly as long as the Cyprus issue is unresolved.

24. Yugoslavia's tentative steps toward military alignment with the West were motivated almost entirely by fears of a Soviet-Satellite attack. These fears have now greatly declined, and will probably continue to do so. However, Tito almost certainly continues to believe that participation in general war would be disastrous for his regime. In the event of general war, Yugoslavia would probably seek to remain neutral at least in the early stages.

25. US ability to influence Yugoslav policy — never decisive even at its strongest — has sharply declined in the last two years and will probably continue to do so. The Yugoslavs have clearly not been deterred from establishing closer ties with the Bloc by fear of incurring US displeasure. Yugoslav conduct during Tito's recent Soviet visit indicated greater willingness than at any time since the rapprochement with Moscow began to take chances on alienating the US. Tito's sense of need of US military aid has steadily lessened as he has become more convinced of the easing of international tension. Moreover, on the economic side, Yugoslavia's exclusive dependence on Western aid has been overcome as the Bloc reappeared as an important alternate source

[3] Yugoslavia sent an observer to the CEMA meeting in May 1956.

[4] The most prominent candidate for the succession is Vice-President Kardelj, a distinguished Marxist theorist who is the real architect of Yugoslavia's so-called new socialist democracy, has taken an active role in Yugoslav foreign policy, and has been a sort of alter ego to Tito. Other potential candidates are Rankovic, head of the secret police; Gosnjak, who heads the defense establishment; and Vukmanovic-Tempo, the economic czar of the country.

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of trade and financial help. The Yugoslavs are aware that the declining general level of US foreign aid and the increasing US opposition to the present direction of Yugoslav policy will lead to a decline in the level of US aid, especially military. Nevertheless, Tito continues to look to the US for aid (notably substantial amounts of wheat and spare parts for US military equipment) and probably believes that the US will feel compelled to meet these requests in some degree to keep him from moving even closer to the Bloc.

26. It is unlikely that either continuation of US aid or a threat to cut it off would restrain Tito from continuing to build up his ties with the Communist world. However, we believe that if the prospect of losing US aid were considered imminent by the Yugoslavs, they might be expected to make gestures and tactical maneuvers to mollify the West, without fundamentally altering their policy. If US aid were wholly discontinued the ability of Yugoslavia to establish close ties of cooperation with the USSR, without losing its essential independence and coming under Soviet domination, would be impaired. If the aid were cut off abruptly, in an atmosphere of mutual recrimination, it would encourage the growth of pro-Bloc sentiment and intensify anti-Western attitudes among the members of the Yugoslav Communist hierarchy.

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